

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

July 26, 2005

In Reply Refer To:  
Southwest Power Pool, Inc.  
Docket Nos. ER05-990-000  
ER05-990-001

Wright & Talisman, P.C.  
Attn: Michael E. Small, Esq.  
Attorney for Southwest Power Pool, Inc.  
1200 G Street, NW - Suite 600  
Washington, DC 20005

Dear Mr. Small:

1. On May 19, 2005, as corrected on May 27, 2005, you submitted on behalf of Southwest Power Pool, Inc. (SPP) revised pages to SPP's Open Access Transmission Tariff (OATT) to implement a rate change for Westar Energy, Inc. (Westar). SPP indicates that the filing is merely a ministerial change to track changes proposed by Westar in Docket No. ER05-925-000.<sup>1</sup> SPP requests an effective date for the proposed revisions of July 1, 2005 (the date Westar originally proposed for its rate changes at issue in Docket No. ER05-925-000), or whatever date the Westar rate changes take effect.

2. SPP, as a regional transmission organization (RTO), administers the provision of open access transmission service on a regional basis across the facilities that transmission owners have dedicated to SPP's OATT. SPP uses zonal rates based on the zones where the points of delivery (POD) or load are located. Rates for through-and-out transactions are based on the zone from which the power exits SPP's transmission system. The transmission owner, here Westar, controls the filing of rates for its zone, with SPP's role being the administration of changes to its tariff to reflect any such rate changes.

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<sup>1</sup>On June 24, 2005, the Commission accepted and suspended Westar's proposed rates for transmission and ancillary services under its OATT, and established hearing and settlement judge procedures. *Westar Energy, Inc.*, 111 FERC ¶ 61,470 (2005).

3. Notice of SPP's filing was published in the *Federal Register*, 70 Fed. Reg. 33,470 (2005), with interventions and protests due on or before June 17, 2005. Timely motions to intervene and protest were filed by Kansas Municipal Utilities (KMU) and, jointly, by the Kansas Power Pool (KPP), Kansas City, Kansas Board of Public Utilities (KCBPU) and Kansas Municipal Energy Agency (KMEA) (collectively, protesters).
4. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2005), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.
5. The protesters argue that Westar's proposed return on equity is excessive; that Westar's proposed 50 basis point adder to the return on equity is inappropriate; that Westar's proposed formula rate structure contains several flaws that require correction or investigation; and that Westar does not provide workpapers for proper evaluation of Westar's implementation of the proposed formula rate divisor. The protesters also object that Westar's proposed formula rate process does not include consumer protections or procedures to ensure that annual rate changes are just and reasonable.
6. In the instant filing, SPP has submitted revised tariff sheets reflecting changes to the annual revenue requirement for Network Integration Transmission Service and rates applicable to Westar's pricing zone. SPP submitted this filing to track the proposed rates for transmission service applicable to Westar's pricing zone, filed by Westar in Docket No. ER05-925-000. The Commission, in its June 25, 2005 order in Docket No. ER05-925-000,<sup>2</sup> accepted for filing Westar's proposed rates, suspended them for five months, to become effective December 1, 2005, subject to refund, and established hearing and settlement judge procedures.
7. Since SPP's filing implements Westar's rate changes, the Commission accepts SPP's filing and suspends it for five months, to become effective December 1, 2005, subject to refund and subject to the outcome of Docket No. ER05-925-000.

By direction of the Commission.

Magalie R. Salas,  
Secretary.

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<sup>2</sup> See *supra* note 1.